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C O N F I D E N T I A L SECTION 01 OF 03 PRETORIA 003829

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DEPT FOR AF/S R. MARBURG

E.O. 12958: DECL: 10/29/2017 TAGS: PGOV PINR KDEM SF

SUBJECT: ZUMA ADVISOR SHAIK OUTLINES CAMPAIGN STRATEGY

REF: A. PRETORIA 3448

1B. PRETORIA 3764

1C. PRETORIA 3783

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Classified By: Deputy Chief of Mission Donald Teitelbaum. Reasons 1.4(b) and (d).

11. (C) SUMMARY: ANC Deputy President Jacob Zuma hopes to defeat current ANC President Thabo Mbeki during the ANC nomination process, before the December 16-20 national conference even begins, according to Zuma informal advisor Mo Shaik. Zuma is confident and has public support, but even Shaik admitted that Zuma lacks funds and a strong nationwide organizational structure. Zuma's slate for the top six leadership positions includes perceived Mbeki opponents Kgalema Motlanthe, Mathews Phosa, and Gwede Mantashe, as well as his ex-wife ForMin Nkosazana Dlamini-Zuma and Parliamentary Speaker Baleka Mbete. Trade union and communist party leaders Zwelinzima Vavi and Blade Nzimande are providing campaign counsel to Zuma, and on economic policy former minister Jay Naidoo and bank executive Ketso Gordhan are key advisors. According to Shaik, Zuma would highlight crime, civil service capacity, unemployment, and economic diversification if he became president. While Zuma is trying to create an aura of inevitability around his presidential campaign, we continue to question his organizational strength and finances, and believe the race remains too early to call. END SUMMARY.

Goal to Defeat Mbeki Before Conference

12. (C) In an October 24 follow-up meeting with PolOff (ref A), businessman Mo Shaik, informal advisor to ANC Deputy President Jacob Zuma, outlined Zuma's strategy to defeat current ANC President Thabo Mbeki at the December 16-20 ANC conference. (NOTE: A former ANC and SAG intelligence official and diplomat, Shaik is the brother of Shabir Shaik, who is serving a 15-year sentence on corruption and fraud charges stemming from his "corrupt relationship" with Zuma. END NOTE) According to Shaik, Zuma hopes to avoid a fight on the conference floor by nailing down the support of most of South Africa's nine provinces, while splitting the vote in areas where Mbeki retains support. Shaik claimed that three provinces must formally nominate a candidate during the nomination process, which ends November 26. (NOTE: This appears contrary to our interpretation of the ANC rules, which suggest that the top three candidates for ANC president will be presented at the national conference (ref B). END

- NOTE.) Zuma will try to prevent Mbeki from hitting the three-province target, Shaik said, suggesting that Mbeki only has strong support in parts of Eastern and Western Cape Provinces.
- 13. (C) The only other way to be nominated as president is for 25 percent of delegates to support the nomination on the conference floor. Zuma does not think Mbeki could pull this off, but is worried about Tokyo Sexwale (who could "buy votes") or Cyril Ramaphosa (nomination by acclamation).

Zuma Top Six

- 14. (C) Shaik confirmed the accuracy of the Zuma candidate list for the top six ANC positions, which has been reported in the press:
- -- Jacob Zuma, President (current ANC Deputy President)
 -- Kgalema Motlanthe, Deputy President (current
 Secretary-General)

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- -- Nkosazana Dlamini-Zuma, Chairman (current ForMin)
- -- Gwede Mantashe, Secretary-General (current chair of South African Communist Party, former union leader) QAfrican Communist Party, former union leader)
- -- Baleka Mbete, Deputy Secretary-General (current Parliamentary Speaker)
- -- Mathews Phosa, Treasurer (businessman, former Mpumalanga Premier)

(NOTE: Motlanthe, Mantashe and Phosa are generally considered to be pro-Zuma, or at least not in Mbeki's camp. ForMin Dlamini-Zuma, Zuma's ex-wife and the only candidate on both Zuma's and Mbeki's list, and Mbete bring gender balance to the slate. END NOTE.) Shaik claimed that Mbeki's list for the top six is not fixed, which he argued is a sign of disarray in the President's campaign.

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Lack of Funds Problem

- 15. (C) Zuma's big weakness is money, Shaik admitted. The Zuma camp is "begging and borrowing," but is facing opponents with either state resources (Mbeki) or private resources (Sexwale). The big banks and other large businesses are still nervous about funding Zuma's campaign, largely because they fear retribution if Mbeki wins.
- 16. (C) Shaik said that Zuma has very effective local structures in some provinces, but is struggling in others. He complained that Mbeki's "imbizos" (official name for SAG town hall meetings) and travel schedule are being used for campaign purposes -- public imbizos during the day; private fundraising events and strategy meetings at night.

Zuma's Advisors

 $\underline{\P}7.$ (C) Zuma's campaign is drawing on the advice of many "friends." Shaik mentioned by name:

- -- South African Communist Party (SACP) head Blade Nzimande, trade union COSATU Secretary General Zwelinzima Vavi, and former South African National Defense Force (SANDF) Chief Siphiwe Nyanda are involved in campaign strategy;
- -- Former Minister Jay Naidoo and Rand Merchant Bank official Ketso Gordhan (nephew of South African Revenue Service head Pravin Gordhan) are helping with economic policy (Shaik said

that Pravin Gordhan is also a "Zuma man"); and,

-- General Nyanda, former MP Tony Yengeni (who served time in jail on fraud charges), and Free State party head Ace Magashule are putting together Zuma's National Executive Council (NEC) candidate list.

Clearer Line Between ANC and Government

18. (C) Shaik claimed that Zuma is still putting together his nomination list for the 60-member ANC National Executive Council. He said the list would include three people from each of the nine provinces and will attempt to balance gender. The Zuma camp wants an NEC that includes younger people, and expects that most of those on the NEC would not/not serve in government (in contrast to the current government where more than half of NEC members hold government positions). Shaik said that they hope to draw a clearer line between the party and government in a Zuma administration, arguing that Mbeki has muddied the waters on that issue.

Zuma Presidency

- 19. (C) Shaik highlighted the potential awkwardness of Zuma serving as ANC president while Mbeki remains national president. He repeated the idea of Mbeki "exiting gracefully" after his defeat in December (ref A), suggesting today that Mbeki be appointed "super AU envoy" for NEPAD, with a commitment from Zuma for SAG funding for NEPAD. Shaik also mentioned the possibility of calling an early election in 2008. (NOTE: National parliamentary elections are currently scheduled for April 2009. To call early elections, a majority of members of parliament must vote to dissolve the body, provided at least three years have passed since the last election. END NOTE.)
- 110. (C) Zuma plans to focus on four core issues when he takes office, Shaik said: combating crime; building capacity in the civil service; diversifying the economy; and reducing structural unemployment. Zuma wants to partner more effectively with big business, which he believes has been largely ignored by the Mbeki regime. On foreign policy, people like South African Ambassador to the U.S. Ambassador Qpeople like South African Ambassador to the U.S. Ambassador Welile Nhlapo, General Nyanda, and DFA Great Lakes Envoy Kingsley Mamabolo would play key roles in a Zuma administration. Shaik says that Zuma continues to have respect for DepForMin Aziz Pahad and would like to include him in a Zuma government. Zuma has no/no respect for Aziz's

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brother, Minister in the Presidency Essop Pahad.

Comment

111. (C) Zuma is clearly trying to create an aura of inevitability about his victory in December. We agree that public support for Zuma is growing (ref C), driven as much by unease with Mbeki as enthusiasm for Zuma. However, the battle for the ANC presidency will not play out in the public realm, but rather in the trenches of the ANC branches and provincial structures where there is no "inevitability" about his ultimate victory at all. We remain unsure whether Zuma has the organizational skills and funding to defeat Mbeki in this arena. With a divided ANC, the door remains open to a "compromise candidate" like former ANC Secretary General Cyril Ramaphosa or former Gauteng Premier Tokyo Sexwale. While we are only six weeks away from the ANC conference, the situation, as Jacob Zuma Trust Chairman Don Mkhwanazi told us

October 30, "changes every day."

112. (U) This cable was coordinated with Consulate General Durban.
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